



WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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CM/ACM _____

Finance _____

DA _____

Risk Mgt N/A

HR N/A

Other N/A

STAFF REPORT

BOARD MEETING DATE: September 23, 2014

DATE: August 25 2014

TO: Board of County Commissioners

FROM: Paul McArthur, Comptroller
328-2552, pmcarthur@washoecounty.us

THROUGH: John Slaughter, County Manager
328-3607, jslaughter@washoecounty.us

SUBJECT: Recommendation to approve and execute an Ordinance amending Ordinance Nos. 981, 1092, 1110, 1237, 1276 and 1317; authorizing the issuance and exchange by Washoe County, Nevada of Washoe County, Nevada General Obligation (limited tax) Sewer Bond (additionally secured by pledged revenues) Series 1997, Washoe County, Nevada, General Obligation (limited tax) sewer bond (STMWRF) (additionally secured by pledged revenues), Series 2000A, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (Horizon Hills) (additionally secured by pledged revenues), Series 2000B, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (STMWRF) (additionally secured by pledged revenues), Series 2001, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (additionally secured by pledged revenues), Series 2004, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (additionally secured by pledged revenues), Series 2005A and Washoe County, Nevada, General Obligation (limited tax) Storm Sewer Bond (additionally secured by pledged revenues), Series 2006 in the aggregate maximum principal amount of \$24,000,000 for the purpose of financing sewer projects by exchanging the bonds for previously issued bonds of the county; and providing for its adoption as if an emergency exists; and providing other matters relating thereto. (All commission districts)

SUMMARY

The purpose of this report is to support the merger of Community Services' Water Utility (CSWU) with the Truckee Meadows Water Authority (TMWA) by proceeding with the utility debt restructuring process, which requires the County to approved an ordinance that will authorize amendments to existing bond ordinances to reflect a change in the type of revenue pledged to repay those debt obligations.

AGENDA ITEM # 15

Washoe County Strategic Objective supported by this item: Achieving Long Term Financial Sustainability.

PREVIOUS ACTION

Various Dates 1997 to 2006: The Board of County Commissioners took numerous actions in approving the issuance of utility related debt between 1997 and 2006.

On December 9, 2009, the Board of County Commissioners entered into an interlocal agreement governing a proposed merger of what is now the Community Services' Water Utility (CSWU) with the Truckee Meadows Water Authority (TMWA) Board of Directors.

The BCC and the TMWA Board of Directors held a joint meeting on March 19, 2014, and directed staffs from both entities to complete the merger with an anticipated closing date to occur in December 2014.

On April 22, 2014, the BCC approved a resolution to notify and seek approval from the Washoe County Debt Management Commission of the County's proposal to issue \$24,000,000 of General Obligation Sewer Bonds. Subsequently the DMC approved the issuance of the debt.

On June 17, 2014, the BCC approve a resolution of intent proposing the issuance of and authorizing the publication of notices of a public hearing relating the County's proposal to issue \$24,000,000 of General Obligation Sewer Bonds.

July 14, 2014, the BCC held a public hearing relating the County's proposal to issue \$24,000,000 of General Obligation Sewer Bonds.

BACKGROUND

At the direction of the Board of County Commissioners (BCC) Washoe County staff has been working on a merger of Community Services Department Water Utility (CSDWU) with the Truckee Meadows Water Authority (TMWA) since 2008. On December 9, 2009, the BCC entered into an interlocal agreement governing a proposed merger of the CSDWU with the TMWA Board of Directors. From that point forward County and TMWA staffs have been working diligently to complete the merger of the two water utilities.

A key requirement of the merger is to allocate approximately \$56.5 million of existing debt (principal balance as of June 30, 2014) that was issued by Washoe County to fund infrastructure used to provide its utility services (i.e., water, wastewater, reclaimed water and storm water). Washoe County will retain approximately \$20.9 million of the debt associated with all non-water utility services and TMWA will assume approximately \$35.6 million of the debt associated with the water utility. Existing utility debt to be retained by Washoe currently has revenues from all utility services pledged to pay that debt. Therefore it is necessary to restructure that debt to remove the pledged revenue received from the water services utility. The revenues pledged to pay the retained debt

will only include revenues received from non-water utility services. Washoe utility debt to be assumed by TMWA will be restructured so that TMWA revenues will be pledged to pay it. Both the existing Washoe County utility debt and the utility debt to be retained by Washoe County are now and will be general obligation debt additionally secured by pledged revenue. This means that the debt is paid from utility revenues but is secured by a full faith and credit pledge and thus will be paid by the general fund if utility revenues are insufficient. Subsequent to restructuring, the debt to be assumed by TMWA will no longer include any obligation by Washoe County to pay that debt.

The details of the current utility related debt and its post merger allocation between Washoe County and TMWA is shown in the following table. It is anticipated that the final amount of the new debt will be approximately equal to the current principal balance due at the close of the restructuring. The difference between the \$20.9 million current principal amount outstanding and the \$24 million maximum amount requested is to allow some flexibility in restructuring the debt. The BCC will be apprised of the final amount prior to the close of the debt restructuring.

**Washoe County Utility Related Debt
Principal Outstanding at June 30, 2014**

	<u>Debt Obligations Allocated To:</u>			
	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Washoe County</u>	<u>TMWA</u>
The State Treasurer Held Debt:				
1997 Lemmon Valley Bond	08/97	01/18	\$325,586	
2000A South Truckee Meadows Bond	06/00	01/20	349,557	
2000B Horizon Hills Bond	06/00	01/20	69,543	
2001 STMWRF Bond	02/01	07/21	10,404,929	
2004 Cold Springs Bond	06/04	01/24	1,837,964	
2005 Longley Lane Bond in the Safe Drinking Water SRF	06/05	01/25		\$9,480,179
2005A Spanish Springs Bond in the Clean Water SRF	08/06	07/26	4,666,779	
Public Held Debt:				
2005 Water and Sewer Bonds	12/05	01/35		26,100,000
2006 Storm Sewer Bond, Pinnacle Public Finance, Inc.	11/06	01/26	3,210,048	
Total Washoe County Utility Related Debt of \$56,444,585 as allocated			<u>\$20,864,406</u>	<u>\$35,580,179</u>

The purpose of this agenda item is to have the BCC consider approval and execution of a bond ordinance, which is the final approval necessary to amending existing bond ordinances that will restructure the pledged revenues to pay those bonds. However the bonds will not be restructured until approval of the final merger agreement, which is scheduled for consideration by both the BCC and TMWA in November 2014, with the close of the merger to take place in December 2014. This bond ordinance is presented as if an emergency exists in order to need only one meeting of the Board; as such this bond ordinance requires four affirmative votes for approval

FISCAL IMPACT

Upon final approval and restructuring of the proposed general obligation bonds the County will be required to pledge sewer, reclaimed water and storm water related

revenue to pay annual debt service on up to \$24.0 million in bonds in exchange for the current pledge of total utility revenue for the existing \$56.5 million current principal amount of outstanding debt.

RECOMMENDATION

It is recommended that the Board approve and execute an Ordinance amending Ordinance Nos. 981, 1092, 1110, 1237, 1276 and 1317; authorizing the issuance and exchange by Washoe County, Nevada of Washoe County, Nevada General Obligation (limited tax) Sewer Bond (additionally secured by pledged revenues) Series 1997, Washoe County, Nevada, General Obligation (limited tax) sewer bond (STMWRF) (additionally secured by pledged revenues), Series 2000A, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (Horizon Hills) (additionally secured by pledged revenues), Series 2000B, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (STMWRF) (additionally secured by pledged revenues), Series 2001, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (additionally secured by pledged revenues), Series 2004, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (additionally secured by pledged revenues), Series 2005A and Washoe County, Nevada, General Obligation (limited tax) Storm Sewer Bond (additionally secured by pledged revenues), Series 2006 in the aggregate maximum principal amount of \$24,000,000 for the purpose of financing sewer projects by exchanging the bonds for previously issued bonds of the county; and providing for its adoption as if an emergency exists; and providing other matters relating thereto.

POSSIBLE MOTION

Should the Board agree with Staff's recommendation, subsequent to the introduction of the ordinance, a possible motion would be: Move to approve and execute an Ordinance amending Ordinance Nos. 981, 1092, 1110, 1237, 1276 and 1317; authorizing the issuance and exchange by Washoe County, Nevada of Washoe County, Nevada General Obligation (limited tax) Sewer Bond (additionally secured by pledged revenues) Series 1997, Washoe County, Nevada, General Obligation (limited tax) sewer bond (STMWRF) (additionally secured by pledged revenues), Series 2000A, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (Horizon Hills) (additionally secured by pledged revenues), Series 2000B, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (STMWRF) (additionally secured by pledged revenues), Series 2001, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (additionally secured by pledged revenues), Series 2004, Washoe County, Nevada, General Obligation (limited tax) Sewer Bond (additionally secured by pledged revenues), Series 2005A and Washoe County, Nevada, General Obligation (limited tax) Storm Sewer Bond (additionally secured by pledged revenues), Series 2006 in the aggregate maximum principal amount of \$24,000,000 for the purpose of financing sewer projects by exchanging the bonds for previously issued bonds of the county; and providing for its adoption as if an emergency exists; and providing other matters relating thereto.

Summary - An ordinance amending certain ordinances and authorizing the issuance and exchange by Washoe County, Nevada of Washoe County, Nevada General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues) Series 1997, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (STMWRF)(Additionally Secured by Pledged Revenues), Series 2000A, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Horizon Hills)(Additionally Secured by Pledged Revenues), Series 2000B, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (STMWRF)(Additionally Secured by Pledged Revenues), Series 2001, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2004, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2005A and Washoe County, Nevada, General Obligation (Limited Tax) Storm Sewer Bond (Additionally Secured by Pledged Revenues), Series 2006 and providing other matters relating thereto.

BILL NO. ____
ORDINANCE NO. ____

AN ORDINANCE AMENDING ORDINANCE NOS. 981, 1092, 1110, 1237, 1276 AND 1317; AUTHORIZING THE ISSUANCE AND EXCHANGE BY WASHOE COUNTY, NEVADA OF WASHOE COUNTY, NEVADA GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES) SERIES 1997, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (STMWRF)(ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2000A, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (HORIZON HILLS)(ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2000B, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (STMWRF)(ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2001, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2004, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2005A AND WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) STORM SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2006 IN THE AGGREGATE MAXIMUM PRINCIPAL AMOUNT OF \$24,000,000 FOR THE PURPOSE OF FINANCING SEWER PROJECTS BY

**EXCHANGING THE BONDS FOR PREVIOUSLY ISSUED
BONDS OF THE COUNTY; AND PROVIDING FOR ITS
ADOPTION AS IF AN EMERGENCY EXISTS; AND
PROVIDING OTHER MATTERS RELATING THERETO.**

WHEREAS, Washoe County, in the State of Nevada (the "County" and "State," respectively), was created as a county pursuant to Section 243.340 of Nevada Revised Statutes ("NRS") and is operating as a county and political subdivision under the laws of the State; and

WHEREAS, the County issued its Washoe County, Nevada General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues) Series 1997 (the "1997 Bond") pursuant to Ordinance No. 981 adopted by the Board of County Commissioners of the County (the "Board" or "Governing Body") on April 22, 1997 (the "1997 Ordinance"), Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (STMWRF)(Additionally Secured by Pledged Revenues), Series 2000A (the "2000A Bond") and Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Horizon Hills) (Additionally Secured by Pledged Revenues), Series 2000B (the "2000B Bond") pursuant to Ordinance No. 1092 adopted by the Board on May 23, 2000 (the "2000AB Ordinance"), Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (STMWRF) (Additionally Secured by Pledged Revenues), Series 2001 (the "2001 Bond") pursuant to Ordinance No. 1110 adopted by the Board on December 19, 2000 (the "2001 Ordinance"), Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2004 (the "2004 Bond") pursuant to Ordinance No. 1237 adopted by the Board on May 18, 2004 (the "2004 Ordinance"), Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2005A (the "2005 Bond") pursuant to Ordinance No. 1276 adopted by the Board on October 18, 2005 (the "2005 Ordinance") and Washoe County, Nevada, General Obligation (Limited Tax) Storm Sewer Bond (Additionally Secured by Pledged Revenues), Series 2006 (the "2006 Bond" and collectively with the 1997 Bond, the 2000A Bond, the 2000B Bond, the 2001 Bond, the 2004 Bond and the 2005 Bond, the "Prior Bonds") pursuant to Ordinance No. 1317 adopted by the Board on October 10, 2006 (the "2006 Ordinance"); and

WHEREAS, as originally issued the Prior Bonds were additionally secured by a pledge of the net revenues of the County's municipal water system (the "Water System") and municipal sewer system, including sanitary sewer and storm sewer (the "Sewer System"); and

WHEREAS, the County desires to amend the 1997 Ordinance, the 2000A Ordinance, the 2000B Ordinance, the 2001 Ordinance, the 2004 Ordinance, the 2005 Ordinance and the 2006 Ordinance to additionally secure the Prior Bonds issued thereunder by a pledge of the net revenues of the County's Sewer System; and

WHEREAS, pursuant to NRS 350.011 to 350.0165, inclusive, as amended, the County has submitted to the Debt Management Commission of Washoe County (the "Commission") the County's proposal to amend the pledged revenues for the Prior Bonds and issue its Washoe County, Nevada General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues) Series 1997, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (STMWRF)(Additionally Secured by Pledged Revenues), Series 2000A, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Horizon Hills) (Additionally Secured by Pledged Revenues), Series 2000B, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (STMWRF) (Additionally Secured by Pledged Revenues), Series 2001, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2004, Washoe County, Nevada, General Obligation (Limited Tax) Sewer Bond (Additionally Secured by Pledged Revenues), Series 2005A and Washoe County, Nevada, General Obligation (Limited Tax) Storm Sewer Bond (Additionally Secured by Pledged Revenues), Series 2006 (collectively, the "Bonds") in exchange for the Prior Bonds (the "Proposal"); and

WHEREAS, the Commission has heretofore approved the Proposal; and

WHEREAS, the County has determined and does hereby determine that the pledged revenues will at least equal the amount required in each year for the payment of the interest on and principal of the Bonds pursuant to the Proposal, without regard to any option reserved by the County for early redemption; and

WHEREAS, pursuant to a resolution passed and adopted by the County notice of adoption of the resolution of intent and notice of a public hearing were published in a newspaper of general circulation in the County; and

WHEREAS, a public hearing has been held and since no petition in conformity with NRS 350.020(3) requesting an election on the Bonds is presented to the Board within 90 days of publication of the notice of intent to amend provisions relating to the Bonds, this Ordinance shall become effective upon publication as provided herein and upon receipt of consent to the amendments to the 1997 Ordinance, the 2000A Ordinance, the 2000B Ordinance, the 2001 Ordinance, the 2004 Ordinance, the 2005 Ordinance and the 2006 Ordinance set forth herein by the registered owners of the Prior Bonds and the officers and employees of the County will proceed with the amendment to the provisions relating to the Prior Bonds as set forth herein, such consents shall be attached hereto as Exhibit D; and

WHEREAS, the Board has determined and hereby declares:

a. It is necessary and for the best interests of the County to amend the 1997 Ordinance, the 2000A Ordinance, the 2000B Ordinance, the 2001 Ordinance, the 2004 Ordinance, the 2005 Ordinance and the 2006 Ordinance as set forth herein; and

b. Each of the limitations and other conditions to the issuance of the Bonds in exchange for the Prior Bonds in the NRS 244A.011 through 244A.065 (the "County Bond Law") and NRS chapter 350 and all laws amendatory thereof, which includes the Local Government Securities Laws, being NRS 350.500 through 350.720, and all laws amendatory thereof (the "Bond Act") and in any other relevant act of the State or the Federal Government, has been met; and pursuant to NRS 350.708, Bond Act, this determination of the Board that the limitations in the Bond Act have been met shall be conclusive in the absence of fraud or arbitrary or gross abuse of discretion;

c. This Ordinance pertains to the sale, issuance and payment of the Bonds; this declaration shall be conclusive in the absence of fraud or gross abuse of discretion in accordance with the provisions of NRS 350.579(2); and

d. This Ordinance may accordingly be adopted as if an emergency exists and may become effective at any time when an emergency ordinance of the County may go into effect; and

WHEREAS, this Ordinance amending the 1997 Ordinance, the 2000A Ordinance, the 2000B Ordinance, the 2001 Ordinance, the 2004 Ordinance, the 2005 Ordinance and the 2006

Ordinance shall be known and cited herein as the "Amendment Ordinance" and each ordinance as amended shall be known and cited herein each as the "Ordinance".

NOW, THEREFORE, THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF WASHOE, IN THE STATE OF NEVADA, DO ORDAIN:

SECTION 1. **Short Title.** This Ordinance shall be known and may be cited as the "2014 Sewer Bonds Amendment Ordinance."

SECTION 2. **Definitions.** The following term in each of the 1997 Ordinance, the 2000A Ordinance, the 2000B Ordinance, the 2001 Ordinance, the 2004 Ordinance, the 2005 Ordinance and the 2006 Ordinance is hereby amended and restated as follows:

"Municipal Utility System" means the sewer system of the County, including but not limited to the sanitary sewer, storm sewer and reclaimed water systems, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County through purchase, construction or otherwise, and used in connection with such system of the County, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures, buildings and related or appurtenant furniture, fixtures and other equipment, as such system is from time to time extended, bettered or otherwise improved, or any combination thereof.

SECTION 3. **Form of Bond.** Each Bond to be exchanged for a Prior Bond shall be in substantially the form set forth in Exhibit C and each form shall be completed with necessary or appropriate variations, insertions, omissions, or endorsements consistent with the provisions of this Ordinance.

SECTION 4. **Execution and Authentication.** Prior to the execution of each Bond to be exchanged for a Prior Bond by facsimile signature, and pursuant to NRS 350.638, to the act known as the Uniform Facsimile Signatures of Public Officials Act, cited as Chapter 351, NRS, and to the Supplemental Bond Act, the Chairman of the Board of County Commissioners (the "Chairman"), the County Treasurer (the "Treasurer") and the County Clerk (the "Clerk") shall each file with the Secretary of State of Nevada his or her manual signature certified by him or her under oath.

B. Each Bond to be exchanged for a Prior Bond shall be approved, signed and executed in the name of and on behalf of the County with the manual or facsimile signature of the Chairman, shall be countersigned and executed with the manual or facsimile signature of the Treasurer, and shall bear a manual impression or a facsimile of an impression of the official seal of the County attested with the manual or facsimile signature of the Clerk.

C. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication thereon, in substantially the form set forth in Exhibit C, has been duly manually executed by the Registrar. By authenticating each Bond to be exchanged for a Prior Bond delivered pursuant to this Amendment Ordinance, the Registrar shall be deemed to have assented to all of the provisions of this Amendment Ordinance.

D. The Chairman, the Treasurer and the Clerk are hereby authorized and directed to prepare and to execute each Bond to be exchanged for a Prior Bond as herein provided.

SECTION 5. **Amendment to Sections entitled "Operation of the System"**. The Sections entitled "Operation of the System" in each of the 1997 Ordinance, the 2000A Ordinance, the 2000B Ordinance, the 2001 Ordinance, the 2004 Ordinance, the 2005 Ordinance and the 2006 Ordinance are hereby amended and restated as follows:

Operation of the System. The County shall at all times operate the Municipal Utility System properly and in a sound and economical manner and shall maintain, preserve and keep the Municipal Utility System properly, or cause the same so to be maintained, preserved and kept, in good repair, working order and condition. The County also shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Municipal Utility System may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating sanitary sewer, storm sewer and reclaimed water systems of like size and character.

Except for the use of the Municipal Utility System or services pertaining thereto in the normal course of business, neither all nor a substantial part of the Municipal Utility System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of until the Bond has been paid in full, or unless provision has been made therefor as hereinafter provided.

SECTION 6. **Delegated Powers.** The officers of the County are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

A. The printing of the Bonds and the exchange of the Bonds for the Prior Bonds,

B. The execution of such certificates as may be reasonably required by the registered owners of each of the Prior Bonds.

C. The County Comptroller is authorized to pay from legally available funds of the County the costs in connection with the issuance and delivery of the Bonds in exchange for the Prior Bonds, including but not limited to, in connection with this Amendment Ordinance.

SECTION 7. **Implied Repealer.** All resolutions and ordinances, bylaws and orders, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any resolution, ordinance, bylaw, order, or part thereof, heretofore repealed.

SECTION 8. **Emergency.** The Board has expressed in the preambles of this Amendment Ordinance that it pertains to the sale, issuance and payment of the Bonds, that this Amendment Ordinance may accordingly be adopted as if an emergency now exists, and may become effective at any time when an emergency ordinance of the County may go into effect. Consequently, pursuant to NRS 350.579 final action shall be taken immediately, and this Amendment Ordinance shall be in effect from and after its publication by title as herein provided.

SECTION 9. **Publication and Effective Date.** After this Amendment Ordinance is signed by the Chairman and attested and sealed by the Clerk, this Amendment Ordinance shall be in effect from and after its publication twice by its title only, together with the names of the Commissioners voting for or against its passage and a statement that typewritten copies of this Amendment Ordinance are available for inspection by all interested parties at the office of the County Clerk. Such publication to be made in a newspaper published and having a general circulation in the County at least once a week for a period of two weeks, and such publication to be in substantially the following form:

(Form of Publication)

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING ORDINANCE NOS. 981, 1092, 1110, 1237, 1276 AND 1317; AUTHORIZING THE ISSUANCE BY WASHOE COUNTY, NEVADA OF WASHOE COUNTY, NEVADA GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES) SERIES 1997, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (STMWRF)(ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2000A, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (HORIZON HILLS)(ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2000B, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (STMWRF)(ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2001, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2004, WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2005A AND WASHOE COUNTY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) STORM SEWER BOND (ADDITIONALLY SECURED BY PLEDGED REVENUES), SERIES 2006 IN THE AGGREGATE MAXIMUM PRINCIPAL AMOUNT OF \$24,000,000 FOR THE PURPOSE OF FINANCING SEWER PROJECTS BY EXCHANGING THE BONDS FOR PREVIOUSLY ISSUED BONDS OF THE COUNTY; AND PROVIDING FOR ITS ADOPTION AS IF AN EMERGENCY EXISTS; AND PROVIDING OTHER MATTERS RELATING THERETO.

PUBLIC NOTICE IS HEREBY GIVEN, that an adequate number of typewritten copies of the above-numbered and entitled Ordinance are available for public inspection and distribution at the office of the County Clerk of Washoe County, at her office in the County Courthouse in Reno, Nevada, and that such Ordinance was proposed by Commissioner _____ on September 23, 2014, and was passed and adopted at a regular meeting of the

Washoe County Board of County Commissioners on September 23, 2014, by the following vote of the Board of County Commissioners:

Those Voting Aye:

Marsha Berkbigler
David Humke
Kitty Jung
Vaughn Hartung
Bonnie Weber

Those Voting Nay:

Those Absent:

This Ordinance shall be in full force and effect from and after 5:00 p.m. on the ____ day of _____, 2014, i.e., the date of the second publication of such Ordinance by title only.

IN WITNESS WHEREOF, the Board of County Commissioners of Washoe County, Nevada, has caused this Ordinance to be published by title only.

DATED this September 23, 2014.

/s/ David Humke
Chairman
Board of County Commissioners
Washoe County, Nevada

(SEAL)

Attest:

/s/ Nancy Parent
County Clerk

(End of Form of Publication)

SECTION 10. **Severability.** If any section, paragraph, clause or provision of this Amendment Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Amendment Ordinance.

PASSED AND ADOPTED BY AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE MEMBERS OF THE BOARD OF COUNTY COMMISSIONERS OF WASHOE COUNTY, NEVADA, THIS SEPTEMBER 23, 2014.

Proposed on September 23, 2014.

Proposed by Commissioner _____.

Passed September 23, 2014.

Vote:

Ayes:

Marsha Berkgigler
David Humke
Kitty Jung
Vaughn Hartung
Bonnie Weber

Nays:

Those Absent:

Attest:

County Clerk

Chairman of the Board

This Ordinance shall be in force and effect from and after 5:00 p.m. on the ____ day of _____, 2014, i.e, the date of the second publication of such Ordinance by its title only.

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I, Nancy Parent, am the qualified and elected Clerk of Washoe County (the "County"), and in the performance of my duties as Clerk do hereby certify:

1. The foregoing pages are a true, correct and compared copy of an ordinance adopted by Board of County Commissioners (the "Board") of the County at a meeting held on September 23, 2014. The original of the ordinance has been approved and authenticated by the signatures of the Chairman of the Board and myself as County Clerk and sealed with the seal of the County, and has been recorded in the minute book of the Board kept for that purpose in my office.

2. Said proceedings were duly had and taken as therein shown. The Commissioners set forth in the ordinance were present at said meeting and voted on the ordinance.

3. All members of the Board were given due and proper notice of such meeting.

4. Pursuant to Nevada Revised Statutes ("NRS") 241.020, written notice of the meeting was given not later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting by posting a copy of the notice at least three working days before the meeting on the County's website, on the official website of the State of Nevada pursuant to NRS 232.2175, at the principal office of the Board, or if there is no principal office, at the building in which the meeting is to be held, and at least three (3) other separate, prominent places within the jurisdiction of the Board, to wit:

- (i) Washoe County Administration Complex
1001 East Ninth Street, Building A
Reno, Nevada
- ii) Washoe County Courthouse
Second Judicial District Court
75 Court Street
Reno, Nevada
- (iii) Washoe County Central Library
301 South Center Street
Reno, Nevada

(iv) Sparks Justice Court
1675 East Prater Way
Sparks, Nevada

is attached as Exhibit A.

5. Prior to 9:00 a.m. at least 3 working days before such meeting, such notice was mailed to each person, if any, who has requested notices of meetings of the Board in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

6. A copy of an affidavit evidencing publication of notice of adoption of the ordinance is attached hereto as Exhibit B.

IN WITNESS WHEREOF, I have hereunto set my hand this September 23, 2014.

County Clerk

Exhibit A

(Attach Copy of Notice of Meeting)

EXHIBIT B

(Attach Affidavit of Publication)

EXHIBIT C
(Attach forms of Bonds)

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

any successor thereto as registrar for the Bond (the "Registrar"). Payment of the Bond Requirements shall be made by depositing with the State Treasurer, on or before any principal or interest payment date or prepayment date, the amount coming due on such payment date in immediately available funds. If any payment date is not a business day, payment may be made on or before the next succeeding business day. If payment of any installment of principal of this Bond is not made when due, interest on such installment shall continue at the interest rate specified for such installment in the Ordinance until such principal installment is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date of that principal installment. The final installment of principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is one of a duly authorized issue of bonds of the County in the maximum principal amount of One Million Four Hundred Nine Thousand Five Hundred Twenty and No\100----- Dollars (\$1,409,520) (the "Bond") to defray, wholly or in part, the cost of acquiring, constructing, improving and equipping sewerage projects as defined in Nevada Revised Statutes 244A.0505 pertaining to the County's sewer system and all appurtenances thereto (the "Project") under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes ("NRS") 350.500 through 350.720, and all laws amendatory thereof designated in NRS 350.500 thereof as the Local Government Securities Law (the "Bond Act"); pursuant to NRS 350.001 to 350.006, inclusive; pursuant to NRS 350.020(3); pursuant to NRS 244A.011 through 244A.065, inclusive, and pursuant to NRS chapter 348; pursuant to NRS 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bond and the regularity of its issuance; and pursuant to NRS 350.710 of the Bond Act, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers pursuant to the provisions of chapter 375B of NRS.

Installments of principal of the Bond are subject to prepayment as provided in the Ordinance and the Certificate of the Assistant County Manager. Prepayment shall be made on not less than 30 days prior mailed notice in the manner and upon the conditions provided in the Ordinance. If a prepayment is made on this Bond as specified in the Ordinance, interest shall cease to accrue on the amount prepaid from and after the date fixed for prepayment. If a portion of the principal of this Bond is called for prepayment, no payment of the principal of and interest due in connection with this Bond due on and after the prepayment date shall be made unless this Bond is presented to the Paying Agent and notation of the installments of principal so called for prepayment is made on the Prepayment Panel appended hereto.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the County in the issuance of this Bond; that the total indebtedness of the County, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of general (ad valorem) taxes ("General Taxes") against all

taxable property within the County sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent that other revenues are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the Bond Requirements of this Bond according to its terms.

Payment of the principal of and interest on this Bond is additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the County from the operation and use of, and otherwise pertaining to, the sewer, storm sewer and reclaimed water systems of the County of which the Project is a part, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County, through purchase, construction or otherwise, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures and buildings, and related or appurtenant furniture, fixtures and other equipment, or any combination thereof (herein called the "Municipal Utility System"), whether resulting from extension, enlargements, repairs, betterments or other improvements to the Municipal Utility System, or otherwise, but excluding (1) moneys raised for capital improvements, and (2) grants, appropriations or gifts for limited uses, and after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Municipal Utility System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable first lien (but not necessarily an exclusively first lien) upon the Net Revenues on a parity with the outstanding 1986 Bonds and the 1997 Water and Sewer Bonds (as defined in the Ordinance). Additional securities may be issued and made payable from the Net Revenues of the Municipal Utility System and having a lien thereon subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the County, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the County taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities of installments of principal or prepayment of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration and authentication panel hereon shall have been manually signed on behalf of the Registrar.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Board, or any officer or other agent of the County, past, present or future, either directly or indirectly through the Board or the County, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

IN WITNESS WHEREOF, Washoe County, Nevada, has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman of the Board of County Commissioners, to be countersigned by the manual or facsimile signature of its County Treasurer, and attested by the manual or facsimile signature of its County Clerk and has caused the seal of the County to be reproduced hereon, all as of _____, 2014, i.e., the date of issuance of this exchanged Bond.

WASHOE COUNTY, NEVADA

Chairman, Board of County Commissioners

Countersigned:

(SEAL)

County Treasurer

Attest:

County Clerk

AUTHENTICATION AND MANDATORY REGISTRATION FOR PAYMENT
AS TO PRINCIPAL AND INTEREST

The within single bond is registered in the office of the Treasurer of Washoe County, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Ordinance.

<u>Date of Authentication and Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
_____, 2014	State of Nevada, Treasurer, as Custodian of the Revolving Fund of the State of Nevada	State Treasurer 101 North Carson #4 Carson City, Nevada 89701	_____
_____	_____	_____	_____
_____	_____	_____	_____

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Single Bond have been prepaid by Washoe County, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof) Prepaid</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PRINCIPAL ADVANCE PANEL

<u>Amount of Principal Advanced</u>	<u>Date of Advance</u>	<u>Signature of County Treasurer</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

THIS BOND NO. R-2 IS BEING EXCHANGED FOR THE BOND NO. R-1
TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

UNITED STATES OF AMERICA

**WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX) SEWER BOND
(STMWRF)
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2000A**

No. R-2 Maximum Original Principal Amount: \$1,675,000
Principal Amount of Exchanged Bond: [\$_____]

Date of Original Issuance: June 30, 2000

Date of Issuance of Exchanged Bond: _____, 2014

Washoe County in the State of Nevada (the "County" and the "State", respectively) for value received hereby acknowledges itself to be indebted and promises to pay to the State of Nevada, c/o the State Treasurer, for deposit to the Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects (the "Revolving Fund"), the maximum original principal sum of

One Million Six Hundred Seventy Five Thousand and No/100-----Dollars (\$1,675,000.00)

or such lesser amount as is set forth on the Principal Advance Panel appended to this Bond, in installments of principal in the amounts and years listed in the ordinance duly adopted by the Board of County Commissioners (the "Board") of the County on May 23, 2000 and designated in § 1 by the short title "2000 Sewer Bond Ordinance" (the "Ordinance") and the Loan Contract (as defined in the Ordinance) (unless prepaid as provided herein and noted on the Prepayment Panel appended hereto) in lawful money of the United States of America, together with interest on the unpaid installments of principal from the date of delivery of this Bond appearing below until payment of such installments of principal shall have been discharged as provided in the Ordinance, said interest being payable on January 1 and July 1 of each year commencing on the January 1 or July 1 immediately succeeding the date of the first principal advance made to the County under the Loan Contract No. C32-9904, and said installments of principal bearing interest at the rate of 3.70% per annum, and being payable on January 1 and July 1 of the years and in the amounts designated in the Ordinance and the Loan Contract.

The principal of and interest on this Bond (the "Bond Requirements") are payable by check, draft or warrant made to the order of the registered owner hereof and mailed by the County Treasurer or any successor thereto as paying agent for this Bond (the "Paying Agent") to the address shown for the registered owner on the registration records of the County Treasurer or any successor thereto as registrar for the Bond (the "Registrar"). If the State is the registered owner hereof, payment of the Bond Requirements shall be made by depositing with the State Treasurer, on or before any principal or interest payment date or prior redemption date, the

amount coming due on such payment date in immediately available funds. If any payment date is not a business day, payment may be made on or before the next succeeding business day. If payment of any installment of principal of this Bond is not made when due, interest on such installment shall continue at the interest rate specified for such installment in the Ordinance until such principal installment is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date of that principal installment. The final installment of principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is a duly authorized bond of the County (the "Bond") to defray, in part, the cost of acquiring, improving, equipping, operating and maintaining sewerage projects for the County and all appurtenances thereto (the "Project") under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes ("NRS") 350.500 through 350.720, and all laws amendatory thereof designated in NRS 350.500 thereof as the Local Government Securities Law (the "Bond Act"); pursuant to NRS 350.001 to 350.006, inclusive; pursuant to NRS 350.020(3); pursuant to NRS 244A.011 through 244A.065, inclusive, and pursuant to NRS chapter 348; pursuant to NRS 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bond and the regularity of their issuance; and pursuant to NRS 350.710 of the Bond Act, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers pursuant to the provisions of chapter 375B of NRS.

Installments of principal of the Bond are subject to prepayment as provided in the Ordinance. Prepayment shall be made on not less than 30 days prior mailed notice in the manner and upon the conditions provided in the Ordinance. If a prepayment is made on this Bond as specified in the Ordinance, interest shall cease to accrue on the amount prepaid from and after the date fixed for prepayment. If a portion of the principal of this Bond is called for prepayment, no payment of the principal of and interest due in connection with this Bond due on and after the prepayment date shall be made unless this Bond is presented to the Paying Agent and notation of the installments of principal so called for prepayment is made on the Prepayment Panel appended hereto.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the County in the issuance of this Bond; that the total indebtedness of the County, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of general (ad valorem) taxes ("General Taxes") against all taxable property within the County sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent that other revenues are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the Bond Requirements of this Bond according to its terms.

Payment of the principal of and interest on this Bond is additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the County from the operation and use of, and otherwise pertaining to, the sewer, storm sewer and reclaimed water systems of the County of which the Project is a part, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County, through purchase, construction or otherwise, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures and buildings, and related or appurtenant furniture, fixtures and other equipment, or any combination thereof (herein called the "Municipal Utility System"), whether resulting from extension, enlargements, repairs, betterments or other improvements to the Municipal Utility System, or otherwise, but excluding (1) moneys raised for capital improvements, and (2) grants, appropriations or gifts for limited uses, and after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Municipal Utility System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien (but not an exclusive lien) upon the Net Revenues, subordinate to the lien on the Net Revenues of the County's outstanding 1986 Bonds, 1997 Water and Sewer Bonds and 1997 Sewer Bond and on a parity with the lien on the Net Revenues of the County's outstanding 1998 Sewer Bond and 2000B Bond (as such terms are defined in the Ordinance). Additional securities may be issued and made payable from the Net Revenues of the Municipal Utility System and having a lien thereon superior to, subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the County, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the County taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities or prepayment of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Board, or any officer or other agent of

the County, past, present or future, either directly or indirectly through the Board or the County, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

IN WITNESS WHEREOF, Washoe County, Nevada, has caused this Bond to be executed in its name by the manual signature of its Chairman of the Board of County Commissioners, to be countersigned by the manual signature of its County Treasurer, and attested by the manual signature of its County Clerk and has caused the seal of the County to be reproduced hereon, all as of _____, 2014, i.e., the date of issuance of this exchanged Bond.

WASHOE COUNTY, NEVADA

Chairman, Board of County Commissioners

Countersigned:

(SEAL)

County Treasurer

Attest:

County Clerk

AUTHENTICATION AND MANDATORY REGISTRATION FOR PAYMENT
AS TO PRINCIPAL AND INTEREST

The within bond is registered in the office of the Treasurer of Washoe County, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Ordinance.

<u>Date of Authentication and Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
_____, 2014	State of Nevada, Treasurer, as Custodian of the Revolving Fund of the State of Nevada	State Treasurer _____ 101 North Carson #4 Carson City, Nevada 89701	
_____	_____	_____	_____
_____	_____	_____	_____

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid by Washoe County, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof) Prepaid</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PRINCIPAL ADVANCE PANEL

<u>Amount of Principal Advanced</u>	<u>Date of Advance</u>	<u>Signature of County Treasurer</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

amount coming due on such payment date in immediately available funds. If any payment date is not a business day, payment may be made on or before the next succeeding business day. If payment of any installment of principal of this Bond is not made when due, interest on such installment shall continue at the interest rate specified for such installment in the Ordinance until such principal installment is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date of that principal installment. The final installment of principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is a duly authorized bond of the County (the "Bond") to defray, in part, the cost of acquiring, improving, equipping, operating and maintaining sewerage projects for the County and all appurtenances thereto (the "Project") under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes ("NRS") §§ 350.500 through 350.720, and all laws amendatory thereof designated in § 350.500 thereof as the Local Government Securities Law (the "Bond Act"); pursuant to NRS § § 350.001 to 350.006, inclusive; pursuant to NRS § 350.020(3); pursuant to NRS § 244A.011 through 244A.065, inclusive, and pursuant to NRS chapter 348; pursuant to § 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bond and the regularity of their issuance; and pursuant to § 350.710 of the Bond Act, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers pursuant to the provisions of chapter 375B of NRS.

Installments of principal of the Bond are subject to prepayment as provided in the Ordinance. Prepayment shall be made on not less than 30 days prior mailed notice in the manner and upon the conditions provided in the Ordinance. If a prepayment is made on this Bond as specified in the Ordinance, interest shall cease to accrue on the amount prepaid from and after the date fixed for prepayment. If a portion of the principal of this Bond is called for prepayment, no payment of the principal of and interest due in connection with this Bond due on and after the prepayment date shall be made unless this Bond is presented to the Paying Agent and notation of the installments of principal so called for prepayment is made on the Prepayment Panel appended hereto.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the County in the issuance of this Bond; that the total indebtedness of the County, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of general (ad valorem) taxes ("General Taxes") against all taxable property within the County sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent that other revenues are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the Bond Requirements of this Bond according to its terms.

Payment of the principal of and interest on this Bond is additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the County from the operation and use of, and otherwise pertaining to, the sewer, storm sewer and reclaimed water systems of the County of which the Project is a part, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County, through purchase, construction or otherwise, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures and buildings, and related or appurtenant furniture, fixtures and other equipment, or any combination thereof (herein called the "Municipal Utility System"), whether resulting from extension, enlargements, repairs, betterments or other improvements to the Municipal Utility System, or otherwise, but excluding (1) moneys raised for capital improvements, and (2) grants, appropriations or gifts for limited uses, and after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Municipal Utility System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien (but not an exclusive lien) upon the Net Revenues, subordinate to the lien on the Net Revenues of the County's outstanding 1986 Bonds, 1997 Water and Sewer Bonds and 1997 Sewer Bond and on a parity with the lien on the Net Revenues of the County's outstanding 1998 Sewer Bond and 2000A Bond (as such terms are defined in the Ordinance). Additional securities may be issued and made payable from the Net Revenues of the Municipal Utility System and having a lien thereon superior to, subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the County, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the County taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities or prepayment of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Board, or any officer or other agent of

the County, past, present or future, either directly or indirectly through the Board or the County, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

IN WITNESS WHEREOF, Washoe County, Nevada, has caused this Bond to be executed in its name by the manual signature of its Chairman of the Board of County Commissioners, to be countersigned by the manual signature of its County Treasurer, and attested by the manual signature of its County Clerk and has caused the seal of the County to be reproduced hereon, all as of _____, 2014, i.e., the date of issuance of this exchanged Bond.

WASHOE COUNTY, NEVADA

Chairman, Board of County Commissioners

Countersigned:

County Treasurer

Attest:

County Clerk

**AUTHENTICATION AND MANDATORY REGISTRATION FOR PAYMENT
AS TO PRINCIPAL AND INTEREST**

The within bond is registered in the office of the Treasurer of Washoe County, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Ordinance.

**Date of Authentication
and Registration**

Name of
Owner

Address of
Owner

Signature of Registrar

, 2014

State of Nevada,
Treasurer, as
Custodian of the
Revolving Fund of
the State of Nevada

State Treasurer
101 North Carson #4
Carson City,
Nevada 89701

WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX) SEWER BOND
(HORIZON HILLS)
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2000B

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid by Washoe County, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof) Prepaid</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PRINCIPAL ADVANCE PANEL

<u>Amount of Principal Advanced</u>	<u>Date of Advance</u>	<u>Signature of County Treasurer</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

when due, interest on such installment shall continue at the interest rate specified for such installment in the Ordinance until such principal installment is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date of that principal installment. The final installment of principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is a duly authorized bond of the County (the "Bond") to defray, in part, the cost of acquiring, improving and equipping sewerage projects for the County and all appurtenances thereto (the "Project") under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes ("NRS") §§ 350.500 through 350.720, and all laws amendatory thereof designated in § 350.500 thereof as the Local Government Securities Law (the "Bond Act"); pursuant to NRS § § 350.001 to 350.006, inclusive; pursuant to NRS § 350.020(3); pursuant to NRS § 244A.011 through 244A.065, inclusive, and pursuant to NRS chapter 348; pursuant to § 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bond and the regularity of their issuance; and pursuant to § 350.710 of the Bond Act, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers pursuant to the provisions of chapter 375B of NRS.

Installments of principal of the Bond are subject to prepayment as provided in the Ordinance. Prepayment shall be made on not less than 30 days prior mailed notice in the manner and upon the conditions provided in the Ordinance. If a prepayment is made on this Bond as specified in the Ordinance, interest shall cease to accrue on the amount prepaid from and after the date fixed for prepayment. If a portion of the principal of this Bond is called for prepayment, no payment of the principal of and interest due in connection with this Bond due on and after the prepayment date shall be made unless this Bond is presented to the Paying Agent and notation of the installments of principal so called for prepayment is made on the Prepayment Panel appended hereto.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the County in the issuance of this Bond; that the total indebtedness of the County, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of general (ad valorem) taxes ("General Taxes") against all taxable property within the County sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent that other revenues are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the Bond Requirements of this Bond according to its terms.

Payment of the principal of and interest on this Bond is additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the County from the operation

and use of, and otherwise pertaining to, the sewer, storm sewer and reclaimed water systems of the County of which the Project is a part, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County, through purchase, construction or otherwise, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures and buildings, and related or appurtenant furniture, fixtures and other equipment, or any combination thereof (herein called the "Municipal Utility System"), whether resulting from extension, enlargements, repairs, betterments or other improvements to the Municipal Utility System, or otherwise, but excluding (1) moneys raised for capital improvements, and (2) grants, appropriations or gifts for limited uses, and after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Municipal Utility System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien (but not an exclusive lien) upon the Net Revenues, subordinate to the lien on the Net Revenues of the County's outstanding 1986 Bonds, 1997 Water and Sewer Bonds and 1997 Sewer Bond and on a parity with the lien on the Net Revenues of the County's outstanding 1998 Sewer Bond and 2000 Sewer Bonds (as such terms are defined in the Ordinance). Additional securities may be issued and made payable from the Net Revenues of the Municipal Utility System and having a lien thereon superior to, subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the County, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the County taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities or prepayment of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Board, or any officer or other agent of the County, past, present or future, either directly or indirectly through the Board or the County, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement

of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

IN WITNESS WHEREOF, Washoe County, Nevada, has caused this Bond to be executed in its name by the manual signature of its Chairman of the Board of County Commissioners, to be countersigned by the manual signature of its County Treasurer, and attested by the manual signature of its County Clerk and has caused the seal of the County to be reproduced hereon, all as of _____, 2014, i.e., the date of issuance of this exchanged Bond.

WASHOE COUNTY, NEVADA

Chairman, Board of County Commissioners

Countersigned:

(SEAL)

County Treasurer

Attest:

County Clerk

AUTHENTICATION AND MANDATORY REGISTRATION FOR PAYMENT
AS TO PRINCIPAL AND INTEREST

The within bond is registered in the office of the Treasurer of Washoe County, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Ordinance.

<u>Date of Authentication and Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
_____, 2014	State of Nevada, Treasurer, as Custodian of the Revolving Fund of the State of Nevada	State Treasurer 101 North Carson #4 Carson City, Nevada 89701	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid by Washoe County, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof) Prepaid</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PRINCIPAL ADVANCE PANEL

<u>Amount of Principal Advanced</u>	<u>Date of Advance</u>	<u>Signature of County Treasurer</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

THIS BOND NO. R-2 IS BEING EXCHANGED FOR THE BOND NO. R-1

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

**WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX) SEWER BOND
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2004**

No. R-2

Maximum Original Principal Amount: \$3,000,000

Principal Amount of Exchanged Bond: [\$_____]

Date of Original Issuance: June 11, 2004

Date of Issuance of Exchanged Bond: _____, 2014

Washoe County in the State of Nevada (the "County" and the "State", respectively) for value received hereby acknowledges itself to be indebted and promises to pay to the State of Nevada, c/o the State Treasurer, for deposit to the Account to Finance the Construction of Treatment Works and the Implementation of Pollution Control Projects (the "Revolving Fund"), the maximum original principal sum of

Three Million and No/100----Dollars (\$3,000,000)

or such lesser amount as is set forth on the Principal Advance Panel appended to this Bond, in installments of principal in the amounts and years listed in the ordinance duly adopted by the Board of County Commissioners (the "Board") of the County on May 18, 2004 and designated in Section 1 by the short title "2004 Sewer Bond Ordinance" (the "Ordinance") and the Loan Contract (as defined in the Ordinance) (unless prepaid as provided herein and noted on the Prepayment Panel appended hereto) in lawful money of the United States of America, together with interest on the unpaid installments of principal from the date of delivery of this Bond appearing below until payment of such installments of principal shall have been discharged as provided in the Ordinance, said interest being payable on January 1 and July 1 of each year commencing on the January 1 or July 1 immediately succeeding the date of the first principal advance made to the County under the Loan Contract No. CS32-0107, and said installments of principal bearing interest at the rate of 3.2125 % per annum, and being payable on January 1 and July 1 of the years and in the amounts designated in the Ordinance and the Loan Contract.

The principal of and interest on this Bond (the "Bond Requirements") are payable by check, draft or warrant made to the order of the registered owner hereof and mailed by the County Treasurer or any successor thereto as paying agent for this Bond (the "Paying Agent") to the address shown for the registered owner on the registration records of the County Treasurer or any successor thereto as registrar for the Bond (the "Registrar"). If the State is the registered owner hereof, payment of the Bond Requirements shall be made by depositing with the State Treasurer, on or before any principal or interest payment date or prior redemption date, the amount coming due on such payment date, by electronic transfer in immediately available funds. If any payment date is not a business day, payment may be made on or before the next succeeding business day. If payment of

any installment of principal of this Bond is not made when due, interest on such installment shall continue at the interest rate specified for such installment in the Ordinance until such principal installment is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date of that principal installment. The final installment of principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is a duly authorized bond of the County (the "Bond") to defray, in part, the cost of acquiring, improving and equipping sewerage projects for the County and all appurtenances thereto (the "Project") under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes ("NRS") 350.500 through 350.720, and all laws amendatory thereof designated in NRS 350.500 thereof as the Local Government Securities Law (the "Bond Act"); pursuant to NRS 350.011 to 350.0165, inclusive; pursuant to NRS 350.020(3); pursuant to NRS 244A.011 through 244A.065, inclusive, and pursuant to NRS chapter 348; pursuant to NRS 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bond and the regularity of their issuance; and pursuant to NRS 350.710 of the Bond Act, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers pursuant to the provisions of chapter 375B of NRS.

Installments of principal of the Bond are subject to prepayment as provided in the Ordinance. Prepayment shall be made on not less than 30 days prior mailed notice in the manner and upon the conditions provided in the Ordinance. If a prepayment is made on this Bond as specified in the Ordinance, interest shall cease to accrue on the amount prepaid from and after the date fixed for prepayment. If a portion of the principal of this Bond is called for prepayment, no payment of the principal of and interest due in connection with this Bond due on and after the prepayment date shall be made unless this Bond is presented to the Paying Agent and notation of the installments of principal so called for prepayment is made on the Prepayment Panel appended hereto.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the County in the issuance of this Bond; that the total indebtedness of the County, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of general (ad valorem) taxes ("General Taxes") against all taxable property within the County sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent that other revenues are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the Bond Requirements of this Bond according to its terms.

Payment of the principal of and interest on this Bond is additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the County from the operation and use of, and otherwise pertaining to, the sewer, storm sewer and reclaimed water systems of the County of which the Project is a part, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County, through purchase, construction or otherwise, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures and buildings, and related or appurtenant furniture, fixtures and other equipment, or any combination thereof (herein called the "Municipal Utility System"), whether resulting from extension, enlargements, repairs, betterments or other improvements to the Municipal Utility System, or otherwise, but excluding (1) moneys raised for capital improvements, and (2) grants, appropriations or gifts for limited uses, and after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Municipal Utility System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien (but not an exclusive lien) upon the Net Revenues, subordinate to the lien on the Net Revenues of the County's outstanding 1997 Water and Sewer Bonds and 1997 Sewer Bond and on a parity with the lien on the Net Revenues of the County's outstanding 1998 Sewer Bond, 2000 Bonds and 2001 Bonds (as such terms are defined in the Ordinance). Additional securities may be issued and made payable from the Net Revenues of the Municipal Utility System and having a lien thereon superior to, subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the County, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the County taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities or prepayment of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Board, or any officer or other agent of the County, past, present or future, either directly or indirectly through the Board or the County, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

IN WITNESS WHEREOF, Washoe County, Nevada, has caused this Bond to be executed in its name by the manual signature of its Chairman of the Board of County Commissioners, to be countersigned by the manual signature of its County Treasurer, and attested by the manual signature of its County Clerk and has caused the seal of the County to be reproduced hereon, all as of _____, 2014, i.e., the date of issuance of this exchanged Bond.

WASHOE COUNTY, NEVADA

Chairman, Board of County Commissioners

Countersigned:

(SEAL)

County Treasurer

Attest:

County Clerk

AUTHENTICATION AND MANDATORY REGISTRATION FOR PAYMENT
AS TO PRINCIPAL AND INTEREST

The within bond is registered in the office of the Treasurer of Washoe County, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Ordinance.

<u>Date of Authentication and Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
, 2014	State of Nevada, Treasurer, as Custodian of the Revolving Fund of the State of Nevada	State Treasurer 101 North Carson #4 Carson City, Nevada 89701	_____
_____	_____	_____	_____
_____	_____	_____	_____

WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX) SEWER BOND
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2004

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid by Washoe County, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof) Prepaid</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PRINCIPAL ADVANCE PANEL

-7-

such payment date, by electronic transfer in immediately available funds. If any payment date is not a business day, payment may be made on or before the next succeeding business day. If payment of any installment of principal of this Bond is not made when due, interest on such installment shall continue at the interest rate specified for such installment in the Ordinance until such principal installment is paid in full, plus a penalty in the amount of one-tenth of one percent (0.1%) will be due for each day of nonpayment commencing 10 days after the maturity date of that principal installment. The final installment of principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is a duly authorized bond of the County (the "Bond") to defray, in part, the cost of acquiring, improving and equipping sewerage projects for the County and all appurtenances thereto (the "Project") under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes ("NRS") 350.500 through 350.720, and all laws amendatory thereof designated in NRS 350.500 thereof as the Local Government Securities Law (the "Bond Act"); pursuant to NRS 350.011 to 350.0165, inclusive; pursuant to NRS 350.020(3); pursuant to NRS 244A.011 through 244A.065, inclusive, and pursuant to NRS chapter 348; pursuant to NRS 350.628 of the Bond Act, this recital is conclusive evidence of the validity of the Bond and the regularity of their issuance; and pursuant to NRS 350.710 of the Bond Act, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers pursuant to the provisions of chapter 375B of NRS.

Installments of principal of the Bond are subject to prepayment as provided in the Ordinance. Prepayment shall be made on not less than 30 days prior mailed notice in the manner and upon the conditions provided in the Ordinance. If a prepayment is made on this Bond as specified in the Ordinance, interest shall cease to accrue on the amount prepaid from and after the date fixed for prepayment. If a portion of the principal of this Bond is called for prepayment, no payment of the principal of and interest due in connection with this Bond due on and after the prepayment date shall be made unless this Bond is presented to the Paying Agent and notation of the installments of principal so called for prepayment is made on the Prepayment Panel appended hereto.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the County in the issuance of this Bond; that the total indebtedness of the County, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of general (ad valorem) taxes ("General Taxes") against all taxable property within the County sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent that other revenues are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the Bond Requirements of this Bond according to its terms.

Payment of the principal of and interest on this Bond is additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the County from the operation and use of, and otherwise pertaining to, the sewer, storm sewer and reclaimed water systems of the County of which the Project is a part, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County, through purchase, construction or otherwise, and in any way pertaining thereto, whether or not located within or without or both within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures and buildings, and related or appurtenant furniture, fixtures and other equipment, or any combination thereof (herein called the "Municipal Utility System"), whether resulting from extension, enlargements, repairs, betterments or other improvements to the Municipal Utility System, or otherwise, but excluding (1) moneys raised for capital improvements, and (2) grants, appropriations or gifts for limited uses, and after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Municipal Utility System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien (but not an exclusive lien) upon the Net Revenues, subordinate to the lien on the Net Revenues of the County's outstanding 1997 Water and Sewer Bonds and 1997 Sewer Bond and on a parity with the lien on the Net Revenues of the County's outstanding 1998 Sewer Bond, 2000 Bonds, 2001 Bonds, 2004 Bonds and 2005 Water Bonds (as such terms are defined in the Ordinance). Additional securities may be issued and made payable from the Net Revenues of the Municipal Utility System and having a lien thereon superior to, subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the County, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the County taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities or prepayment of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Board, or any officer or other agent of the County, past, present or future, either directly or indirectly through the Board or the County, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

IN WITNESS WHEREOF, Washoe County, Nevada, has caused this Bond to be executed in its name by the manual signature of its Chairman of the Board of County Commissioners, to be countersigned by the manual signature of its County Treasurer, and attested by the manual signature of its County Clerk and has caused the seal of the County to be reproduced hereon, all as of _____, 2014, i.e., the date of issuance of this exchanged Bond.

WASHOE COUNTY, NEVADA

Chairman, Board of County Commissioners

Countersigned:

(SEAL)

County Treasurer

Attest:

County Clerk

AUTHENTICATION AND MANDATORY REGISTRATION FOR PAYMENT
AS TO PRINCIPAL AND INTEREST

The within bond is registered in the office of the Treasurer of Washoe County, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Ordinance.

<u>Date of Authentication and Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of County Treasurer, as Registrar</u>
, 2014	State of Nevada, Treasurer, as Custodian of the Revolving Fund of the State of Nevada	State Treasurer 101 North Carson #4 Carson City, Nevada 89701	_____
_____	_____	_____	_____
_____	_____	_____	_____

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid by Washoe County, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof) Prepaid</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

SERIES 2005A
LOAN CONTRACT NO. CS 320308
MAXIMUM PRINCIPAL AMOUNT: \$6,500,000

[illegible]

TRANSFER OF THIS BOND OTHER THAN BY REGISTRATION IS NOT EFFECTIVE

full. The final installment of principal on this Bond is payable only on presentation and surrender of this Bond at the office of the Paying Agent.

This single bond is a duly authorized bond of the County (the "Bond") to defray, in part, the cost of acquiring, improving and equipping sewerage and drainage projects for the County and all appurtenances thereto (the "Project") under the authority of and in full compliance with the constitution and laws of the State.

This Bond is issued pursuant to Nevada Revised Statutes ("NRS") 350.500 through 350.720, and all laws amendatory thereof designated in NRS 350.500 thereof as the Local Government Securities Law (the "Bond Act"); pursuant to NRS 350.011 to 350.0165, inclusive; pursuant to NRS 350.020(3); pursuant to NRS 244A.011 through 244A.065, inclusive, and pursuant to NRS chapter 348; pursuant to NRS 350.628, this recital is conclusive evidence of the validity of the Bond and the regularity of their issuance; and pursuant to NRS 350.710, the Bond, its transfer, and the income therefrom shall forever be and remain free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of Chapter 375A of NRS and the tax on generation-skipping transfers pursuant to the provisions of chapter 375B of NRS.

Installments of principal of the Bond are subject to prepayment as provided in the Ordinance and the Certificate of the Finance Director. Prepayment shall be made on not less than 10 days prior mailed notice in the manner and upon the conditions provided in the Ordinance and the Certificate of the Finance Director. If a prepayment is made on this Bond as specified in the Ordinance, interest shall cease to accrue on the amount prepaid from and after the date fixed for prepayment.

It is hereby certified and recited that all of the requirements of law have been fully complied with by the proper officers of the County in the issuance of this Bond; that the total indebtedness of the County, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or by the laws of the State; that provision has been made for the levy and collection of general (ad valorem) taxes ("General Taxes") against all taxable property within the County sufficient to pay the Bond Requirements of this Bond when the same become due (except to the extent that other revenues are available therefor), subject to the limitations imposed by the Constitution and statutes of the State; and that the full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the Bond Requirements of this Bond according to its terms.

Payment of the principal of and interest on this Bond is additionally secured by a pledge of the net revenues (herein called the "Net Revenues") derived by the County from the operation and use of, and otherwise pertaining to, the sewer, storm sewer and reclaimed water systems of the County of which the Project is a part, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the County, through purchase, construction or otherwise, and in any way pertaining thereto, whether or not located within or without or both

within and without the boundaries of the County, including, without limitation, machinery, apparatus, structures and buildings, and related or appurtenant furniture, fixtures and other equipment, or any combination thereof (herein called the "Municipal Utility System"), whether resulting from extension, enlargements, repairs, betterments or other improvements to the Municipal Utility System, or otherwise, but excluding (1) moneys raised for capital improvements, and (2) grants, appropriations or gifts for limited uses, and after provision is made for the payment of all necessary and reasonable operation and maintenance expenses of the Municipal Utility System, which Net Revenues are so pledged as more specifically provided in the Ordinance.

This Bond is equally and ratably secured by such pledge of the Net Revenues, and such pledge constitutes an irrevocable lien (but not an exclusive lien) upon the Net Revenues, subordinate to the lien on the Net Revenues of the County's outstanding 1997 Water and Sewer Bonds, 1997 Sewer Bond and 2005 Water and Sewer Bonds and on a parity with the lien on the Net Revenues of the County's outstanding 1998 Sewer Bond, 2000 Bonds, 2001 Bonds, 2004 Bonds, 2005 Water Bonds and 2005 Sewer Bonds (as such terms are defined in the Ordinance). Additional securities may be issued and made payable from the Net Revenues of the Municipal Utility System and having a lien thereon superior to, subordinate to or on a parity with such pledge, in each case subject to the conditions of and in accordance with the Ordinance.

Reference is made to the Ordinance and to the Bond Act for an additional description of the nature and extent of the security for this Bond, the accounts, funds, or revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the registered owner of this Bond with respect thereto, the terms and conditions upon which this Bond is issued, and a statement of rights, duties, immunities, and obligations of the County, and other rights and remedies of the owner of this Bond.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance may be amended or otherwise modified by action of the County taken in the manner and subject to the conditions and exceptions prescribed in the Ordinance. The pledge of Net Revenues under the Ordinance may be discharged at or prior to the respective maturities or prepayment of the Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Ordinance.

This Bond shall not be entitled to any benefits under the Ordinance, or be valid or obligatory for any purpose until the registration panel hereon shall have been manually signed on behalf of the Registrar.

No recourse shall be had for the payment of the Bond Requirements of this Bond or for any claim based thereon or otherwise in respect to the Ordinance or any other instrument pertaining thereto, against any individual member of the Board, or any officer or other agent of the County, past, present or future, either directly or indirectly through the Board or the County, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any

penalty or otherwise, all such liability, if any, being by the acceptance of this Bond and as a part of the consideration of its issuance specially waived and released.

IN WITNESS WHEREOF, Washoe County, Nevada, has caused this Bond to be executed in its name by the manual signature of its Chairman of the Board of County Commissioners, to be countersigned by the manual signature of its County Treasurer, and attested by the manual signature of its County Clerk and has caused the seal of the County to be reproduced hereon, all as of _____, 2014, i.e., the date of issuance of this exchanged Bond.

WASHOE COUNTY, NEVADA

Chairman, Board of County Commissioners

Countersigned:

County Treasurer

(SEAL)

Attest:

County Clerk

**WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX) STORM SEWER BOND
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2006**

**AUTHENTICATION AND MANDATORY REGISTRATION FOR PAYMENT
AS TO PRINCIPAL AND INTEREST**

The within bond is registered in the office of the Treasurer of Washoe County, Nevada, as Registrar in the name of the last owner listed below, and the principal amount of the bond and interest thereon shall be payable only to such owner, all in accordance with the within-mentioned Ordinance.

<u>Date of Authentication and Registration</u>	<u>Name of Owner</u>	<u>Address of Owner</u>	<u>Signature of Registrar</u>
_____, 2014	Pinnacle Public Finance Inc.	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid by Washoe County, Nevada, in accordance with the terms of the within-mentioned Ordinance.

<u>Date of Prepayment</u>	<u>Due Date of Installments (or portions thereof) Prepaid</u>	<u>Principal Amount Prepaid</u>	<u>Signature of Paying Agent</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT D

(Attach consents of registered owners of the Prior Bonds to this Amendment Ordinance)